

THE MOTOR VEHICLE  
DEALER TAG PERMIT LAW  
INCLUDING RULES AND REGULATIONS

Mississippi Department of Revenue



Department of Revenue  
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MISSISSIPPI DEPARTMENT OF REVENUE  
MOTOR VEHICLE DEALER TAX PERMIT

**MOTOR VEHICLE DEALER TAX PERMIT**

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**§ 27-19-301. Short title.**

This article shall be known as "The Motor Vehicle Dealer Tag Permit Law."

**SOURCES:** Codes, 1942, § 9352-101; Laws, 1966, ch. 577, § 1, eff from and after October 31, 1966.

**§ 27-19-303. Definitions.**

The following words and phrases, when used in this article, shall for purposes thereof have the meaning respectively ascribed thereto as follows:

(a) "Motor vehicle" shall mean every vehicle intended primarily for use and operation on the public highways, which is self-propelled and every vehicle intended primarily for operation on the public highways, which is not driven or propelled by its own power, but which is designed either to be attached to and become a part of or to be drawn by a self-propelled vehicle, but not including farm tractors and other machines and tools used in production, harvesting and care of farm products.

(b) "Person" shall mean every natural person, firm, co-partnership, association or corporation.

(c) "Motor vehicle dealer" shall mean any business engaged in the selling or exchanging of new or new and used motor vehicles or used vehicles; and, which has an established place of business open for inspection at any time by any peace officer or the Commissioner of the Department of Revenue or one of his authorized representatives during reasonable hours; and, which buys and sells or exchanges at least twenty-four (24) motor vehicles per year that are the same motor vehicle type for which distinguishing number tags are being sought under this article. For purposes of this paragraph each of the following categories shall be considered a different motor vehicle type:

(i) Motor vehicles (as defined under Section 27-19-3) with a gross vehicle weight (as defined under Section 27-19-3) of less than sixteen thousand (16,000) pounds, not including motorcycles;

(ii) Motorcycles;

(iii) Trailers, semitrailers and house trailers;

and

(iv) Motor vehicles not included in subparagraphs (i), (ii), and (iii) of this paragraph.

(d) "Dealer" shall mean such of the principal officers of a corporation registered as a motor vehicle dealer, and such of the partners of a co-partnership registered as a motor vehicle dealer as are actively and principally engaged in the motor vehicle business. The term "dealer" shall not include:

(i) Directors, stockholders or inactive partners; or

(ii) Receivers, trustees, administrators, executors, guardians, or other persons appointed by or acting under any judgment or order of any court, whether state or federal; or

(iii) Public officers while performing their official duties; or

(iv) Persons disposing of motor vehicles acquired for their own use and actually so used when the same shall have been used, so acquired in good faith, and not for the purpose of avoiding the provisions of this article; or

(v) Persons who shall sell motor vehicles as an incident to their principal business but who are not engaged primarily in selling motor vehicles. The foregoing shall include only finance companies or banks which sell repossessed motor vehicles, and insurance companies which sell motor vehicles which they have taken into their possession as an incident of payment made under policies of insurance, and which do not maintain a used car lot or building with one (1) or more employed motor vehicle salesmen.

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(e) "New motor vehicle dealer" shall mean a business dealing in new motor vehicles, tractors, trailers or semitrailers, or new and used motor vehicles, tractors, trailers or semitrailers.

(f) "Used motor vehicle dealer" shall mean a business dealing in used motor vehicles, tractors, trailers or semitrailers. "Automobile dismantlers" shall also be classified as used motor vehicle dealers.

(g) "Established place of business" shall mean any place owned or leased and regularly occupied by any person for the primary and principal purpose of engaging in selling, buying, bartering, exchanging or dealing in motor vehicles, tractors, trailers or semitrailers, whether same may be displayed or offered for sale and where the books and records required of the conduct of such business are maintained and kept. Established places of business shall be open for inspection at any time by any peace officer or employee of the Department of Revenue during reasonable hours. To constitute a place of business, it shall be apparent that there is a holding out to the general public that an establishment is offering motor vehicles, tractors, trailers and semitrailers for sale. There shall be an office separate from and not in conjunction with or related to any other business for the purpose of transacting the business of offering motor vehicles, tractors, trailers or semitrailers for sale, or in lieu of such office there shall be an adequate display of identification as a motor vehicle dealer as specified by the Commissioner of the Department of Revenue.

(h) "Automobile dismantler" shall mean any person who maintains an established place of business and who is engaged in the business of buying, selling or exchanging used motor vehicles, mobile homes or house trailers for the purpose of remodeling, taking apart or rebuilding same or buying and selling of parts of used motor vehicles and shall be classified as a used motor vehicle dealer.

(i) "Automobile auction" shall mean any person, firm, association, corporation or trust, resident or nonresident, acting as an agent for the purchaser or seller of motor vehicles.

(j) "Department" or "commission" shall mean the Commissioner of the Department of Revenue.

(k) "Limited motor vehicle dealer" or "limited dealer" shall mean any business engaged in the selling or exchanging of new or used motor vehicles, or both, which buys and sells or exchanges fewer than the number of motor vehicles required to be sold or exchanged in order to fall within the definition of the term "motor vehicle dealer" and is granted a limited license at the discretion of the Commissioner of the Department of Revenue. Such limited dealer shall be awarded all privileges of a "motor vehicle dealer," except for the purchase and use of distinguishing number tags. A limited dealer shall abide by all provisions and requirements of this article associated with a "motor vehicle dealer."

(l) "Wholesale motor vehicle dealer" or "wholesale dealer" shall mean any business engaged in the selling or exchanging of new or used motor vehicles, or both, strictly on a wholesale basis with no inventory being maintained which is granted a wholesale license at the discretion of the Commissioner of the Department of Revenue. Such wholesale dealer shall be awarded all privileges of a "motor vehicle dealer." A wholesale dealer shall abide by all provisions and requirements of this article associated with a "motor vehicle dealer," except for the requirement of the "established place of business" and the requirement to buy, sell or exchange a certain number of motor vehicles per year.

**SOURCES: Codes, 1942, § 9352-102; Laws, 1966, ch. 577, § 2; Laws, 1979, ch. 460, § 1; Laws, 1996, ch. 405, § 1; Laws, 2001, ch. 596, § 46, eff from and after July 1, 2005.**

**§ 27-19-305. Motor vehicle dealer tag permit.**

A dealer shall make application to the Department on forms prescribed and furnished him to obtain a distinguishing number for such motor vehicles as are owned by such dealer. The Department shall issue to the applicant a motor vehicle dealer tag permit containing the name and address of the dealership and such further information as the Department may determine to be necessary. The place of business or agency herein referred to shall mean a place in any city, town, or locality where motor vehicles owned or assigned to such dealer are regularly kept or

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exposed for sale in the custody or control of the dealer, salesman, employee, or agent of such dealer.

**SOURCES: Codes, 1942, § 9352-103; Laws, 1966, ch. 577, § 3; Laws, 1981, ch. 524, § 14, eff from and after July 1, 1981.**

**§ 27-19-307. Tag expiration date.**

Motor vehicle dealer tag permits and tags shall expire on October 31 next following the date of issuance.

**SOURCES: Codes, 1942, § 9352-104; Laws, 1966, ch. 577, § 4, eff from and after October 31, 1966.**

**§ 27-19-309. Fees; distinguishing number tags.**

(1) An application for a motor vehicle dealer tag permit, new or used, must be accompanied by a fee of One Hundred Dollars (\$100.00). The Department of Revenue shall furnish distinguishing number tags at a fee of Thirty-five Dollars (\$35.00) each and a tag fee of Three Dollars and Seventy-five Cents (\$3.75). A dealer shall be limited to twelve (12) tags at Thirty-five Dollars (\$35.00) each and any additional tags shall be Seventy-five Dollars (\$75.00) each, plus a tag fee of Three Dollars and Seventy-five Cents (\$3.75) for each tag. Provided, that the application required herein shall have a space on same for the inclusion of the sales tax number of the applicant.

(2) If a motor vehicle dealer is engaged only in buying, selling or exchanging motorcycles, the application for a motor vehicle dealer tag permit must be accompanied by a fee of Fifty Dollars (\$50.00). The Department of Revenue shall furnish motorcycle dealer tags at a fee of Six Dollars (\$6.00) each, and Three Dollars and Seventy-five Cents (\$3.75) for each tag fee. Such dealer shall be issued only motorcycle dealer distinguishing number tags, and the tags shall be displayed only upon a motorcycle.

(3) A motor vehicle dealer engaged only in buying, selling, or exchanging of trailers, semitrailers, or house trailers, shall pay a fee of Seventy-five Dollars (\$75.00) for his permit. The Department of Revenue shall furnish distinguishing number tags for such at a fee of Ten Dollars (\$10.00) each, plus Three Dollars and Seventy-five Cents (\$3.75) for each tag fee. Such dealer shall be issued only trailer dealer distinguishing number tags, and the tags shall be displayed only upon a trailer, semitrailer, or house trailer.

(4) A manufacturer or manufacturer's branch, who is engaged only in delivering to and from the factory and located within the State of Mississippi, shall pay a fee of Fifty Dollars (\$50.00) for his permit and may purchase a distinguishing number tag upon making application to the Department of Revenue for a fee of Ten Dollars (\$10.00), plus Three Dollars and Seventy-five Cents (\$3.75) for a tag fee. Such manufacturer shall be issued only manufacturer tags, and the tags shall be displayed only upon those manufactured vehicles.

(5) A heavy truck dealer shall pay a fee of One Hundred Dollars (\$100.00) for his permit and may purchase, for use in accordance with Section 27-19-319, distinguishing number tags for a fee of One Hundred Twenty-five Dollars (\$125.00) each, plus a tag fee of Three Dollars and Seventy-five Cents (\$3.75) each. Such dealer shall be issued only heavy truck tags and the tags shall be displayed only upon a heavy truck.

(6) A manufacturer whose distribution or import companies operate a regional vehicle parts warehouse, distribution or preparation facilities located in a county wherein U.S. Highway 51 and State Highway 4 intersect within the State of Mississippi, shall pay an annual fee of One Hundred Dollars (\$100.00) for a permit and may purchase a distinguishing number tag upon making application to the Department of Revenue for a fee of Fifty Dollars (\$50.00), plus Three Dollars and Seventy-five Cents (\$3.75) for a tag fee. Such manufacturer shall be issued tags to be utilized by vehicles owned by the manufacturer and which are used by the manufacturer for

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testing, distribution, evaluation, incentives and promotion. The number of tags issued to a manufacturer by the Department of Revenue shall not exceed fifty (50).

(7) Beginning July 1, 1987, and until the date specified in Section 65-39-35, there shall be levied a tag fee of Five Dollars (\$5.00) in addition to the tag fee of Three Dollars and Seventy-five Cents (\$3.75) levied in this section. Such additional fee shall be levied in the same manner as the tag fee of Three Dollars and Seventy-five Cents (\$3.75).

(8) A motor vehicle manufacturer operating a project as defined in Section 57-75-5(f)(iv)1 shall pay an annual fee of One Hundred Dollars (\$100.00) for a permit and may purchase a distinguishing number tag upon making application to the Department of Revenue for a fee of Fifty Dollars (\$50.00), plus Three Dollars and Seventy-five Cents (\$3.75) for a tag fee. Such manufacturer shall be issued tags to be utilized by vehicles owned by the manufacturer shall be issued tags to be utilized by vehicles owned by the manufacturer and which are used by the manufacturer primarily for maintenance at the project site and for testing, demonstration, evaluation, incentives and promotion. The number of tags issued to such manufacturer by the Department of Revenue shall not exceed three hundred (300).

(9) The number of distinguishing number tags issued to each dealer shall be determined by the Department of Revenue. In addition, only those dealer distinguishing number tags authorized and purchased by the Department of Revenue will be considered as a valid dealer distinguishing number tag and any tag manufactured by any other means and held out to the public as being a dealer distinguishing number tag shall be a violation of this section and a penalty of Five Hundred Dollars (\$500.00) shall be assessed by the Department of Revenue, which shall be in addition to any penalty authorized by law. Display of the tag in question on a vehicle shall be considered prima facie evidence of the violation.

**SOURCES: Codes, 1942, § 9352-105; Laws, 1966, ch. 557, § 5; Laws, 1973, ch. 439, § 1; Laws, 1979, ch. 460, § 2; Laws, 1987, ch. 322, § 24; Laws, 1994, ch. 557, § 17; Laws, 1996, ch. 405, § 2; Laws, 2000, ch. 536, § 28, eff from and after July 1, 2000.**

**§ 27-19-311. Repealed.**

**[Codes, 1942, § 9352-106; Laws, 1966, ch. 577, § 6; 1979, ch. 460, § 4] Repealed by Laws, 1996, ch. 405, § 5, eff from and after July 1, 1996.**

**§ 27-19-313. Records.**

Motorcycle dealers, automobile dismantlers, automobile auctions, and motor vehicle dealers, shall have posted in plain sight in their places of business, their motor vehicle dealer tag permits, state sales tax permits, and county or city privilege licenses, for the carrying on of their particular businesses. Such persons shall maintain a record, in their established place of business, containing the following information, which shall be open for inspection at any time by any peace officer or employee of the Department during reasonable hours:

(a) Every motor vehicle bought, sold, exchanged, received or accepted for sale or exchange.

(b) Every motor vehicle which is bought or otherwise acquired, or dismantled.

(c) The name and address of the person from whom such motor vehicle was purchased or acquired, the date thereof, name and address of the person to whom such motor vehicle was sold or otherwise disposed of, and the date thereof, along with a sufficient description of every motor vehicle, as well as the name and identifying number thereof.

**SOURCES: Codes, 1942, § 9352-107; Laws, 1966, ch. 577, § 7; Laws, 2001, ch. 596, § 47, eff from and after July 1, 2001.**

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**§ 27-19-315. Repealed.**

**[Codes, 1942, § 9352-108; Laws, 1966, ch. 577, § 8] Repealed by Laws, 1973, ch. 439, § 2, eff from and after passage (approved March 30, 1973).**

**§ 27-19-316. Reports.**

Motor vehicle dealers and motorcycle dealers who are not designated agents pursuant to section 63-21-13, Mississippi Code of 1972, shall make quarterly reports to the Department on forms prescribed by the Department by the twentieth day of each month following the months of March, June, September and December on all motor vehicles that have been wholesaled to other dealers in Mississippi and also on all out-of-state sales.

**SOURCES: Laws, 1979, ch. 460, § 8; Laws, 2001, ch. 596, § 48, eff from and after July 1, 2001.**

**§ 27-19-317. Repealed.**

**[Codes, 1942, § 9352-109; Laws, 1966, ch. 577, § 9] Repealed by Laws, 1973, ch. 439, § 2 eff from and after passage (approved March 30, 1973).**

**§ 27-19-319. Dealer's use of distinguishing number tags.**

A motor vehicle bearing a motor vehicle dealer distinguishing number tag assigned to a motor vehicle dealer may be operated by a dealer, his authorized representative or customer as provided in this section for the following purposes and uses:

- (a) For the purpose of testing and adjusting such vehicle in the vicinity of the dealer's place of business.
- (b) For purposes connected with the business of purchasing, selling or exchanging motor vehicles including such use by a dealer or his salesman or other bona fide employee as may be reasonable in showing, exhibiting, displaying or demonstrating vehicles for sale.
- (c) For demonstration purposes by prospective purchasers, dealers or full-time employees of the dealership.
- (d) For purposes of delivering a heavy truck to and from the dealership or demonstration of a heavy truck, either empty or under load, by prospective bona fide purchasers. However, any such use shall be limited to a period of not more than four (4) days. Any person operating a heavy truck under the provisions of this paragraph shall carry with him at all times while operating such truck written authority so to do signed by the dealer furnishing such heavy truck. A copy of the authorization shall be retained by the dealer.
- (e) For business or demonstration use of the dealer or any full-time employee of the dealership.
- (f) For use of a customer whose vehicle is being repaired by the dealer, but such use shall not extend for a period of longer than ten (10) days and only when authorized by the dealer in writing.
- (g) For nonbusiness use, when operated by dealers or full-time dealership personnel, on a vehicle in inventory and available for sale.

**SOURCES: Codes, 1942, § 9352-110; Laws, 1966, ch. 577, § 10; Laws, 1979, ch. 460, § 5; Laws, 1996, ch. 405, § 3, eff from and after July 1, 1996.**

**§ 27-19-320. Use of dealer's license tag by relative of dealership owner.**

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It shall be unlawful for a dealer's license tag to be used by a relative of the dealership owner unless such relative is a full-time employee of such dealer.

**SOURCES: Laws, 1979, ch. 460, § 3, eff from and after November 1, 1979.**

**§ 27-19-321. Other use of dealer's distinguishing number tags.**

(1) Manufacturers and factory branches shall transport motor vehicles owned from the place of manufacture or factory branch to purchasers or motor vehicle dealers, or from the motor vehicle dealer to the manufacturer or factory branch.

(2) Trailer dealers shall use distinguishing number tags only on trailers moving from the motor vehicle dealer's place of business to the purchaser or, when purchased by the motor vehicle dealer, to its place of business.

**SOURCES: Codes, 1942, § 9352-111; Laws, 1966, ch. 577, § 11; Laws, 1979, ch. 460, § 6, eff from and after November 1, 1979.**

**§ 27-19-323. Display of dealer distinguishing number tags.**

No vehicle bearing a distinguishing number tag shall be operated upon the highways of this state unless such tag is conspicuously displayed on the vehicle being operated in such manner that it may be easily read. Such tags shall be kept reasonably clean and shall not be defaced in any manner.

**SOURCES: Codes, 1942, § 9352-112; Laws, 1966, ch. 577, § 12, eff from and after October 31, 1966.**

**§ 27-19-325. Distribution of tax proceeds.**

All monies collected by the Department of Revenue as proceeds from the tax imposed by this article shall be distributed to the various counties of the state according to the provisions of Section 27-19-159, Mississippi Code of 1972; however, except as otherwise provided in Section 31-17-127, the additional tag fee of Five Dollars (\$5.00) levied under subsection (7) of Section 27-19-309 shall be paid into the State Treasury to the credit of the State Highway Fund for the construction or reconstruction of highways designated under the Four-Lane Highway Program created in Section 65-3-97.

**SOURCES: Codes, 1942, § 9352-113; Laws, 1966, ch. 577, § 13; Laws, 1987, ch. 322, § 25; Laws, 1999, ch. 575, § 5; Laws, 2000, ch. 536, § 29, eff from and after July 1, 2000.**

**§ 27-19-327. Penalties.**

(1) It shall be a misdemeanor for any person to willfully violate any provision of this article. Any such violation shall be punishable as follows:

(a) For the first offense, a fine of one hundred dollars (\$100.00).

(b) For a second offense, a fine of two hundred fifty dollars (\$250.00).

(c) For a third and any subsequent offense, a fine of five hundred dollars (\$500.00) and forfeiture for a period of one (1) year of all dealer license plates issued under the provisions of this article.

(2) If any person, firm or corporation owns or operates a motor vehicle displaying a dealer's tag for any purpose other than that authorized by this article, then such person or dealer shall be deemed to be operating the motor vehicle unlawfully and in violation of the provisions of this article and shall be required to immediately obtain proper license and shall pay for such tag the full annual privilege license tax applicable plus a penalty of one hundred percent (100%). In



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addition, the dealer's tag being displayed shall be immediately surrendered to the Department of Revenue or one of his authorized representatives.

(3) The Commissioner of the Department of Revenue or one of his authorized representatives may suspend or revoke a dealer for consistent violation of any provision of this article or of Section 63-21-1 et seq. The suspension or revocation of the permit shall be for a period of time determined by the Department of Revenue.

**SOURCES: Codes, 1942, § 9352-114; Laws, 1966, ch. 577, § 14; Laws, 1974, ch. 492; Laws, 1979, ch. 460, § 7; Laws, 1996, ch. 405, § 4, eff from and after July 1, 1996.**

**§ 27-19-329. Repealed.**

**[Codes, 1942, § 9352-115; Laws, 1966, ch. 577, § 15] Repealed by Laws, 1981, ch. 524, § 17, eff from and after July 1, 1981.**

**§ 27-19-331. Repealed.**

**[Codes, 1942, § 9352-116; Laws, 1966, ch. 577, § 16; 1968, ch. 361, § 23] Repealed by Laws, 1979, ch. 460, § 11, eff from and after November 1, 1979.**

**§ 27-19-333. Dealer license plates; manner of distinguishing types of dealers.**

Motor vehicle dealer license plates shall distinguish between the various types of motor vehicle dealers. The Department shall provide for the issuance of appropriately lettered, numbered or colored, or combinations thereof, motor vehicle dealer's license plates so as to distinguish between the various categories and types of motor vehicle dealers.

**SOURCES: Laws, 1979, ch. 460, § 9; Laws, 2001, ch. 596, § 49, eff from and after July 1, 2001.**

**§ 27-19-335. Enforcement; duties of Department of Revenue and other enforcement officers; disposition of penalties.**

The Department is hereby given full and complete responsibility for the administration of the provisions of the Motor Vehicle Dealer Tag Permit Law.

The Department of Revenue, the commissioner of public safety, all sheriffs, county patrolmen and authorized municipal officers are hereby authorized and directed to enforce the provisions of this article. Any penalties assessed at the instance of any municipal officials shall be divided fifty percent (50%) to the municipality which initiated the penalty and fifty percent (50%) to the county in which such municipality is located. Sheriffs shall be entitled to their share of penalties as is elsewhere provided by law, which share shall be paid into the general fund of the county. Any penalties imposed at the instance of the officers of the commissioner of public safety or the Department shall be paid into the general fund of the county where the citation is written.

**SOURCES: Laws, 1979, ch. 460, § 10; Laws, 1981, ch. 524, § 15, eff from and after July 1, 1981.**

**§ 27-19-337. Repealed.**

**[Laws, 1981, ch. 524, § 16; Laws, 1983, ch. 525, § 2] Repealed by Laws, 2005, ch. 499 § 36 eff from and after July 1, 2005.**

**§ 27-77-9. Suspension, surrender, seizure or revocation of permit, tag or title; notice of intent; hearing; order; appeal to department; notice and hearing; withdrawal of appeal.**

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(1) If the agency determines that there is a basis for suspension, surrender, seizure or revocation of a permit, tag or title issued or approved by the agency, the agency shall give the permittee, tag holder, title interest holder in the permit, tag or title, written notice of its intent to suspend, revoke or to order the surrender and/or seizure of the permit, tag or title. The notice of intent shall be mailed or hand delivered to the permittee, tag holder or title interest holder involved, shall set forth the facts and conduct that provide the basis for the intended action and shall advise the permittee, tag holder or title interest holder involved of the date, time and location of a show cause hearing that is at a minimum of thirty (30) days from the date of the notice. At the hearing, the permittee, tag holder or title interest holder shall show cause why the permit, tag or title in issue should not be suspended, surrendered, seized or revoked. The show cause hearing shall be informal and the rules of evidence shall be relaxed. The hearing shall be conducted by the board of review or by a single hearing officer as designated by the commissioner. As soon as practical after the show cause hearing, the hearing officer or the members of the board of review that conducted the hearing shall make a determination as to whether the intended action or any other action should be taken in regard to the permit, tag or title in issue. The hearing officer or board of review shall enter an order based on this determination and a copy of this order shall be mailed to the permittee, tag holder or title interest holder involved notifying same of the decision and the action taken.

(2) The order of the hearing officer or the board of review in regard to a show cause hearing shall be final unless, within thirty (30) days from the date of said order, the permittee, tag holder or title interest holder appeals the order to the Department. The appeal shall be in writing and request a hearing and reversal or modification of the order of the hearing officer or board of review, specify in detail the relief requested, contain any other information that might be required by regulation and be filed with the Department secretary. Failure to timely file a written appeal with the Department secretary within the thirty-day period shall make the order of the hearing officer or the board of review being appealed final and not subject to further review by the Department or a court other than as to the issue of whether a written appeal from the order of the hearing officer or board of review was timely filed with the Department secretary.

(3) Upon receipt of a written appeal from an order of a hearing officer or the board of review regarding a show cause hearing on a permit, tag or title, the Department secretary shall schedule a hearing before the Department on this appeal. A notice of the hearing shall be mailed to the person who filed the appeal to advise him of the date, time and location of hearing. In the case of an appeal from a show cause hearing on a title, the notice of hearing shall also be mailed to any other title interest holders in the motor vehicle or manufactured housing in issue. The person who filed the appeal or his designated representative shall attend the hearing. Failure of this person or his designated representative to attend a hearing shall constitute a withdrawal of the appeal.

(4) At any hearing before the Department on an appeal of an order regarding a show cause hearing on a permit, tag or title, two (2) members of the Department shall constitute a quorum. At the hearing the Department shall try the issues presented according to law and the facts and pursuant to any guidelines established by regulation. The rules of evidence shall be relaxed at the hearing and the hearing shall be taken down by a court reporter. After reaching a decision on the issues presented, the Department shall enter an order setting forth its findings and decision on the appeal. A copy of the order of the Department shall be mailed to the person who filed the appeal to notify him of the findings and decision of the Department. In the case of an appeal involving a title, a copy of the order of the Department shall also be mailed to any other title interest holder in the motor vehicle or manufactured housing in issue.

(5) At any time after the filing of an appeal with the Department under this section, an appeal may be withdrawn. A withdrawal of an appeal can be made voluntarily by the person appealing or may occur involuntarily as the result of his failure to appear at a scheduled hearing, or by any other act or failure that the Department determines represents a failure on the part of that person to prosecute his appeal. A voluntary withdrawal shall be in writing or by electronic transmission and sent from the person appealing or his designated representative to the Department secretary. If the withdrawal of appeal is involuntary, the Department shall note on its minutes the involuntary withdrawal of the appeal and the basis for the withdrawal. Once an appeal is withdrawn, whether voluntary or involuntary, the order from the show cause hearing from which the appeal was taken

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shall become final and not subject to further review by the Department or a court. The agency shall then proceed in accordance with law based on such final action.

**Sources: Laws, 2005, ch. 499, § 5, eff from and after July 1, 2005.**

**§ 27-77-11. Denial of application or request for permit, tag or title; notice of denial; appeal to board of review; notice and hearing; order; appeal to Department; notice and hearing; withdrawal of appeal.**

(1) If the agency determines that an application or request for a permit, tag or title issued or approved by the agency should be denied, the agency shall give the applicant for the permit, tag or title written notice of the denial by mailing or hand delivering the notice to the applicant. In regard to the denial of an application for title, the designated agent who took the application and any other alleged title interest holders as appearing on the application shall also be mailed or hand delivered a copy of the agency's denial of the title application. If the applicant, or in the case of the denial of a title application, any title interest holder appearing on the title application, is aggrieved by the denial and wishes to contest the denial, he shall, within thirty (30) days from the date of the written notice of the denial, file an appeal in writing with the board of review requesting a hearing on the denial that specified in detail the relief requested and contains any other information required by regulation. Failure to timely file a written appeal with the board of review within this thirty-day period shall make final the agency's denial of the permit, tag or title in issue and not subject to further review by the board of review, the Department or a court except as to the issue of whether a written appeal to the board of review was timely filed.

(2) Upon receipt of a written appeal from a denial of a permit, tag or title, a hearing shall be scheduled before the board of review unless it is determined that the relief requested in the written appeal should be granted without a hearing. A notice of the hearing shall be mailed to the person appealing advising him of the date, time and location of hearing. If the appeal involves the denial of a title, the notice of hearing shall also be mailed to all other title interest holders in the motor vehicle or manufactured housing in issue, including both those that appear on a current title and those that appear on the application that was denied. The notice may contain a statement as to the basis for the denial of the permit, tag or title. The person appealing or his designated representative shall attend the hearing unless a request is made to and granted by the board of review to allow him to submit his position in writing or by electronic transmission in lieu of attendance. Failure of the person appealing, or his designated representative, to attend a hearing or to submit his position in writing or by electronic transmission in lieu of attendance by the date specified by the board of review or by the hearing date, if no date is specified, shall constitute a withdrawal of the appeal.

(3) At a hearing before the board of review on a denial of a permit, tag or title, the board of review shall try the issues presented, according to law and the facts and within the guidelines established by regulation. The hearing before the board of review shall be informal and no official transcript shall be made of the hearing. At the earliest practical date after the hearing, the members of the board of review that heard the appeal shall make a determination on the matter presented and notify the person appealing of its findings by mailing a copy of its order to that person. In the case of a hearing involving the denial of a title, the order shall also be mailed to all other title interest holders in the motor vehicle or manufactured housing in issue, including those that appear on a current title and those that appear on the application that was denied.

(4) The order of the board of review involving the denial of a permit, tag or title shall be final unless within thirty (30) days from the date of the order, the applicant appeals the order to the Department. In the case of an order of the board of review involving a review of the denial of a title, any title interest holder in the motor vehicle or manufactured housing in issue may appeal the order to the Department. The appeal shall be in writing, request a hearing and reversal or modification of the order of the board of review, specify in detail the relief requested, contain any other information that is required by regulation and be filed with the Department secretary. Failure to timely file a written appeal with the Department secretary within the thirty-day period will make the order of the board of review being appealed final and not subject to further review by the

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Department or a court other than as to the issue of whether a written appeal from the order of the board of review was timely filed with the Department secretary.

(5) Upon receipt of a written appeal from an order of the board of review involving the denial of a permit, tag or title, the Department secretary shall schedule a hearing before the Department on the appeal. A notice of the hearing shall be mailed to the person who filed the appeal to advise him of the date, time and location of hearing. In the case of an appeal from an order of the board of review involving the denial of a title, the notice of hearing shall also be mailed to all title interest holders in the motor vehicle or manufactured housing in issue. The person who filed the appeal or his designated representative shall attend the hearing. Failure of this person or his designated representative to attend a hearing shall constitute a withdrawal of the appeal.

(6) At any hearing before the Department on an appeal of an order from the board of review involving the denial of a permit, tag or title, two (2) members of the Department shall constitute a quorum. At the hearing, the Department shall try the issues presented according to law and the facts and pursuant to any guidelines established by regulation. The rules of evidence shall be relaxed at the hearing and the hearing shall be taken down by a court reporter. After reaching a decision on the issues presented, the Department shall enter its order setting forth its findings and decision on the appeal. A copy of the order of the Department shall be mailed to the person who filed the appeal with the Department to notify him of the findings and decision of the Department. In the case of an appeal involving a title, a copy of the order of the Department shall also be mailed to all title interest holders in the motor vehicle or manufactured housing in issue.

**Sources: Laws, 2005, ch. 499, § 6, eff from and after July 1, 2005.**

**§ 27-77-13. Department's orders pursuant to Sections 27-77-9 or 27-77-11 final unless appealed to chancery court; petition; review by chancery court; appeal to Supreme Court from order of chancery court.**

(1) The order of the Department entered in accordance with Sections 27-77-9 or 27-77-11 shall be final unless the permittee, tag holder, or title interest holder of the permit, tag or title in regard to which action was taken in the order shall, within thirty (30) days from the date of the order, file a petition in the chancery court seeking a review of the order. The petition shall be filed against the Department of Revenue and shall contain a concise statement of the facts as contended by the petitioner, identify the order from which the appeal is being taken and the type of relief sought. The petition shall also contain a certificate that the petitioner has paid to the Department secretary the estimated cost of the preparation of the entire record of the Department on the matter for which a review is sought.

(2) A petition under subsection (1) of this section shall be filed in the chancery court of the county or judicial district in which the petitioner has a place of business or in the First Judicial District of Hinds County, Mississippi; however, a resident petitioner may file a petition in the chancery court of the county or judicial district in which he is a resident.

(3) The review by the chancery court of the order of the Department on a petition filed under subsection (1) of this section shall be based on the record made before the Department. Before filing a petition under subsection (1) of this section, the petitioner shall obtain from the Department secretary an estimate of the cost to prepare the entire record of the Department and shall pay to the Department secretary the amount of the estimate. If, upon the preparation of the record, it is determined that the estimate paid was insufficient to pay the actual cost of the preparation of the record, the Department secretary shall mail to the petitioner a written notice of the deficiency. The petitioner shall pay the deficiency to the Department secretary within thirty (30) days from the date of this written notice. If upon the preparation of the record, it is determined that the estimate paid by the petitioner exceeds the actual cost of the preparation of the record, the Department secretary shall remit to the petitioner the amount by which the estimate paid exceeds the actual cost. The chancery court shall dismiss with prejudice any petition filed where it is shown that the petitioner failed to pay prior to filing the petition the estimated cost for preparation of the record of the Department or failed to pay any deficiency in the estimate within thirty (30) days of a notice of deficiency.

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(4) Upon the filing of the petition under subsection (1) of this section, the clerk of the court in the which petition is filed shall issue a summons to the Department of Revenue requiring the Department to answer or otherwise respond to the petition within thirty (30) days of service. The summons shall be served on the Department of Revenue by personal service on the Commissioner as the chief executive officer of the Department of Revenue.

(5) Upon the filing of an answer and/or response by the Department of Revenue to the petition filed under subsection (1) of this section, and upon the filing of the record made before the Department with the clerk of the court, the chancery court shall, upon the motion of either party, establish a schedule for the filing of briefs in the action. The scope of review of the chancery court in an action filed under subsection (1) of this section shall be limited to a review of the record made before the Department to determine if the action of the Department is unlawful for the reason that it was:

- (a) Not supported by substantial evidence;
- (b) Arbitrary or capricious;
- (c) Beyond the power of the Department to make; or
- (d) In violation of some statutory or constitutional right of the petitioner.

(6) No relief shall be granted based upon the chancery court's finding of harmless error by the Department in complying with any procedural requirement; however, in the event that there is a finding of prejudicial error in the proceedings, the cause shall be remanded to the Department for a rehearing consistent with the findings of the court.

(7) The Department of Revenue, the petitioner, or both, shall have the right to appeal from the order of the chancery court to the Supreme Court as in other cases.

**Sources: Laws, 2005, ch. 499, § 7, eff from and after July 1, 2005.**

# **Appendix A**

## **Rules and Regulations**

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**RULES AND REGULATIONS  
JULY, 2005**

**RULE 1. DEFINITIONS.**

The following words and phrases, when used in this regulation, shall for purposes thereof have the meaning respectively ascribed thereto as follows:

(1) "Motor vehicle" shall mean every vehicle intended primarily for use and operation on the public highways, which is self-propelled and every vehicle intended primarily for operation on the public highways, which is not driven or propelled by its own power, but which is designed either to be attached to and become a part of or to be drawn by a self-propelled vehicle, but not including farm tractors and other machines and tools used in production, harvesting and care of farm products.

(2) "Person" shall mean every natural person, firm, copartnership, association or corporation.

(3) "Motor vehicle dealer" shall mean any business engaged in the selling or exchanging of new or new and used motor vehicles or used vehicles; and, which has an established place of business open for inspection at any time by any peace officer or the Commissioner of the Mississippi Department of Revenue or one of his authorized representatives during reasonable hours; and, which buys and sells or exchanges at least twenty-four (24) motor vehicles per year that are the same motor vehicle type for which distinguishing number tags are being sought under this article. For purposes of this paragraph each of the following categories shall be considered a different motor vehicle type:

(a) Motor vehicles (as defined under Section 27-19-3) with a gross vehicle weight (as defined under Section 27-19-3) of less than sixteen thousand (16,000) pounds, not including motorcycles;

(b) Motorcycles;

(c) Trailers, semitrailers and house trailers; and

(d) Motor vehicles not included in subparagraphs (a), (b) and (c) of this paragraph.

(4) "Dealer" shall mean such of the principal officers of a corporation registered as a motor vehicle dealer, and such of the partners of a copartnership registered as a motor vehicle dealer as are actively and principally engaged in the motor vehicle business. The term "dealer" shall not include:

(a) Directors, stockholders or inactive partners; or

(b) Receivers, trustees, administrators, executors, guardians, or other persons appointed by or acting under any judgment or order of any court, whether state or federal; or

(c) Public officers while performing their official duties; or

(d) Persons disposing of motor vehicles acquired for their own use and actually so used when the same shall have been used, so acquired in good faith, and not for the purpose of avoiding the provisions of this articles; or

(e) Persons who shall sell motor vehicles as an incident to their principal business but who are not engaged primarily in selling motor vehicles. The foregoing shall include only finance companies or banks which sell repossessed motor vehicles, and insurance companies which sell motor vehicles which they have taken into their possession as an incident of payment made under policies of insurance, and which do not maintain a used car lot or building with one (1) or more employed motor vehicle salesmen.

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(5) "New motor vehicle dealer" shall mean a business dealing in new motor vehicles, tractors, trailers, or semitrailers, or new and used motor vehicles, tractors, trailers, or semitrailers.

(6) "Used motor vehicle dealer" shall mean a business dealing in used motor vehicles, tractors, trailers, or semitrailers. "Automobile dismantlers" shall also be classified as used motor vehicle dealers.

(7) "Limited motor vehicle dealer" or "limited dealer" shall mean a business dealing in new or used vehicles which buys and sells or exchanges fewer than the number of motor vehicles required to be sold or exchanged in order to fall within the definition of the term "motor vehicle dealer" and is granted a limited license at the discretion of the Commissioner. Such license will convey all of the privileges of a "motor vehicle dealer" except that a limited motor vehicle dealer will not be entitled to purchase or use dealer tags. Limited dealers will otherwise be bound by the provisions of this regulation.

(8) "Established place of business" shall mean any place owned or leased and regularly occupied by any person for the primary and principal purpose of engaging in selling, buying, bartering, exchanging or dealing in motor vehicles, tractors, trailers or semitrailers, whether same may be displayed or offered for sale and where the books and records required of the conduct of such business are maintained and kept. Established places of business shall be open for inspection at any time by any peace officer or employee of the Department of Revenue during reasonable hours. To constitute a place of business, it shall be apparent that there is a holding out to the general public that an establishment is offering motor vehicles, tractors, trailers or semitrailers for sale. There shall be an office separate from and not in conjunction with or related to any other business for the purpose of transacting the business of offering motor vehicles, tractors, trailers or semitrailers for sale, or in lieu of such office there shall be:

(a) A sign, indicating the name of the business, the name of the owner, telephone number, and that the business is a motor vehicle dealer. It must be clearly visible and located at the front of the lot.

And;

(b) A lot which is separate and apart from any other business. If the lot adjoins the lot of any other business, the separation must be a method clearly indicating that the area is used for the purpose of offering motor vehicles, tractors, trailers, or semitrailers for sale.

(9) "Automobile dismantler" shall mean any person who maintains an established place of business and who is engaged in the business of buying, selling or exchanging used motor vehicles, mobile homes or house trailers for the purpose of remodeling, taking apart or rebuilding same or buying and selling of parts of used motor vehicles.

(10) "Automobile auction" shall mean any person, firm, association, corporation or trust, resident or nonresident, acting as an agent for the purchaser or seller of motor vehicles.

(11) "Commissioner" shall mean the Commissioner of the Department of Revenue.

(12) "Department" shall mean the Department of Revenue.

Full time employee shall mean any employee working at the minimum 30 hours per week and received monetary compensation for such hours. Proof of such employment may be required when questioning the use of a dealer tag. Such proof may be, but is not limited to, copy of the W-2 form, time sheet or MESC UI-3 form.

A dealer shall make application for a dealer tag permit to the Department of Revenue on forms prescribed and furnished to him. The Department then shall issue a permit containing name and address of the dealership and any other information the Department deems necessary. The application shall be accompanied by a fee of one hundred dollars (\$100.00).

To obtain dealer tags, which after October 31, 1993, will be a distinguishing color, the dealer must remit forty-three dollars and seventy-five cents (\$43.75) for each tag up to twelve tags. Additional dealer tags may be purchased at a cost of eighty-three dollars and seventy-five cents (\$83.75).

A dealer engaged only in buying, selling or exchanging motorcycles may purchase a motor vehicle dealer tag permit at a cost of fifty dollars (\$50.00). Dealer tags for motorcycles may be



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purchased for fourteen dollars and seventy-five cents (\$14.75) each and may only be displayed on motorcycles.

A dealer engaged only in buying, selling, or exchanging trailers, semitrailers, or house trailers may purchase a motor vehicle dealer tag permit at a cost of seventy-five dollars (\$75.00). Dealer tags for trailers may be purchased for eighteen dollars and seventy-five cents (\$18.75) each and may only be displayed on trailers.

A manufacturer or manufacturer's branch located in Mississippi may purchase dealer tags for delivering to and from such factory at a cost of eighteen dollars and seventy-five cents (\$18.75) each.

A heavy truck dealer may purchase not more than three (3) dealer tags for use on heavy trucks at a cost of one hundred thirty-three dollars and seventy-five cents (\$133.75) each.

Limited dealers are not eligible to purchase dealer tags.

Dealers will be required to justify the number of dealer tags requested when such number exceeds the number of full-time employees of the dealership.

**DEALER'S USE OF DISTINGUISHING NUMBER TAGS.**

A motor vehicle bearing a motor vehicle dealer distinguishing number tag assigned to a motor vehicle dealer may be operated by a dealer, his authorized representative or customer as provided in this regulation for the following purposes and uses:

(a) For the purpose of testing and adjusting such vehicle in the vicinity of the dealer's place of business.

(b) For purpose connected with business of purchasing, selling or exchanging motor vehicles including such used by a dealer or his salesman or other bona fide employee as may be reasonable in showing, exhibiting, displaying or demonstrating vehicles for sale.

(c) For demonstration purposes by prospective purchasers, dealers or full-time employees of the dealership.

(d) For a one-time demonstration of a heavy truck, either empty or under load, by prospective bona fide purchasers. However, any such use shall be limited to a period of not more than four (4) days. Any person operating a heavy truck under the provisions of this paragraph shall carry with him at all times while operating such truck written authority to do so signed by the dealer. A copy of such authorization shall be retained by the dealer.

(e) For business or demonstration use of the dealer or any full-time employee of the dealership.

(f) For use by a customer whose vehicle is being repaired by the dealer, but such use shall not extend longer than ten (10) days and shall be authorized by the dealer in writing. Such authorization must be kept in the vehicle while in use.

**PROPER USE OF A DEALER TAG SHALL NOT INCLUDE THE FOLLOWING:**

(a) Use by family members of the dealer who are not full-time employees, or by family members of employees of the dealership.

(b) Use by owner, director, stockholders or partners of the dealership who are not full-time employees of the dealership.

(c) Use by receivers, trustees, administrators, executors, guardians, or other persons appointed by or acting under any judgment or order of any court, whether state or federal,

(d) Use by public officials, including state, county, or municipal employees, while performing their official duties or commuting to or from the locations where they perform their official duties,

(e) Commuting to and/or from school by a full-time student or teacher, or commuting by anyone to or from any other employment not directly associated with the dealership. This includes other businesses owned by the owner of the dealership or other employment of the full time employees of the dealership.

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(f) Use of a dealer tag on a vehicle which is not for sale by the dealer, or use of a dealer tag on a vehicle which is titled to the dealer or a full-time employee of the dealership. Also any vehicle in inventory that is used for the purpose of all service vehicles, tow trucks, wreckers, flat beds and courtesy vans.

(g) Non-educational use of those tags assigned to schools for driver education purposes,

(h) Use by persons having their vehicles repaired by the dealership if the "loaner" vehicle does not contain the required statement from the dealer or if the use exceeds the (10) days, and

(i) Non-business use, except when operated by the owner of the dealership or full-time dealership personnel, on a vehicle in inventory and available for sale.

The proper use of dealer tags will be strictly enforced. Dealers will be periodically required to verify to the Commissioner or his agents that dealer tags are being used properly. Such verification will be furnished at the dealer's business location. The dealer will provide clear evidence that the dealer tags are being used in accordance with this regulation.

**MISUSE OF DEALER TAGS MAY RESULT IN THE FORFEITURE OF SUCH TAGS.**

**FAILURE TO ADHERE TO ANY OF THE PROVISION OF THIS REGULATION MAY RESULT IN THE REVOCATION OF THE MOTOR VEHICLE DEALER PERMIT.**

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**RULES AND REGULATIONS  
AUGUST 1993**

**RULE 2. REVOCATION OF DESIGNATED AGENT AUTHORITY**

Section 63-21-13 of the Mississippi Code of 1972, as amended, provides that a motor vehicle dealer shall be a designated agent. Thus, if the motor vehicles dealer's designated agent status is revoked for cause, the dealer permit is likewise revoked. Upon receipt of a notice of revocation, the dealer shall surrender the dealer permit all dealer tags and all titling materials within ten (10) days.

The dealer may appeal the revocation within ten (10) days from receipt of the notice of same.

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**RULES AND REGULATIONS  
AUGUST 1996**

**RULE 3. WHOLESALE DEALERS**

Section 27-19-303 of the Mississippi Code of 1972, as amended, has defined a wholesale dealer. There are several points to clarify in this definition.

The Department of Revenue shall only license Mississippi residents as motor vehicle dealers, which includes wholesale dealers.

A wholesale dealer may not keep more than two (2) vehicles in inventory at any one time. If an inventory of more than two vehicles is maintained, then the wholesale dealer must be licensed as a used motor vehicle dealer, post the bond and maintain a lot. Used motor vehicle dealers may sell to licensed dealers as well as to individuals.

Wholesale dealers are only to sell to other licensed motor vehicle dealers. Each sales record must indicate the motor vehicle dealer's name and permit number. The county tax collector shall not title any vehicle sold to an individual by a wholesale dealer. Under no circumstances is a wholesale dealer to sell to an individual.

Wholesale dealers shall not be designated agents and will have a permit number that identifies the wholesale as not having the authority to act as a designated agent. When a wholesale dealer purchases a motor vehicle for resale, his name must appear on the title as being one in the chain of ownership. The permit given wholesale dealers shall read "WHOLESALE ONLY" on the face of the permit.

The Commissioner of the Department of Revenue has the authority to license wholesale dealers at his discretion and also has the authority to revoke such authority at his discretion for any violations of the law or regulations.